

Senate Study Bill 1005

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CO=CHAIRPERSON KREIMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the elimination of specified requirements
2 applicable to an attorney providing brokerage and closing
3 services in connection with a real estate auction.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1078SC 81
6 rn/gg/14

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1 1 Section 1. Section 543B.7, subsection 5, Code 2005, is
1 2 amended to read as follows:
1 3 5. The acts of an auctioneer in conducting a public sale
1 4 or auction. The auctioneer's role must be limited to
1 5 establishing the time, place, and method of an auction;
1 6 advertising the auction including a brief description of the
1 7 property for auction and the time and place for the auction;
1 8 and crying the property at the auction. The auctioneer shall
1 9 provide in any advertising the name and address of the real
1 10 estate broker or attorney who is providing brokerage services
1 11 for the transaction and who is also responsible for closing
1 12 the sale of the property. ~~The A~~ real estate broker ~~or~~
1 13 ~~attorney~~ providing brokerage services and closing services
1 14 shall be present at the time of the auction and, if found to
1 15 be in violation of this subsection, shall be subject to a
1 16 civil penalty of two thousand five hundred dollars. If the
1 17 auctioneer closes or attempts to close the sale of the
1 18 property or otherwise engages in acts defined in sections
1 19 543B.3 and 543B.6, then the requirements of this chapter do
1 20 apply to the auctioneer. If an investigation pursuant to this
1 21 chapter reveals that an auctioneer has violated this
1 22 subsection or has assumed to act in the capacity of a real
1 23 estate broker or real estate salesperson, the real estate
1 24 commission may issue a cease and desist order, and shall issue
1 25 a warning letter notifying the auctioneer of the violation for
1 26 the first offense, and impose a penalty of up to the greater
1 27 of ten thousand dollars or ten percent of the real estate
1 28 sales price for each subsequent violation.

EXPLANATION

1 30 This bill provides for the elimination of specified
1 31 requirements applicable to an attorney providing brokerage and
1 32 closing services regarding real estate being sold or disposed
1 33 of pursuant to a real estate auction. Code section 543B.7,
1 34 subsection 5, currently provides that real estate brokers or
1 35 attorneys providing such services shall be present at the time
2 1 of the auction, and are subject to a civil penalty of \$2,500
2 2 for a violation of the subsection. The bill provides that
2 3 attorneys shall no longer be subject to these requirements,
2 4 but retains their applicability with regard to real estate
2 5 brokers.
2 6 LSB 1078SC 81
2 7 rn/gg/14